

**Neighborhood Ten Study Committee
Committee Meeting # 11
Economic Development
September 22, 2005**

Committee members present: Chip Strang, Primo Vannicelli, Jay Mahler, Josh Rowland, Rachel Cobb, Sandra Uytterhoeven, Henry Lukas, Rebekah Kaufman

Staff present: Taha Jennings, Elaine Thorne, Estella Johnson, Chris Basler, Sarah Rahman

Presentation:

Estella Johnson, Director of the Economic Development Division in the Community Development Department introduced Chris Basler and Sarah Rahman who are both planners in the Economic Development Division.

Estella gave a slide show presentation to the Committee on the economic development policies of the City as well as programs that are run through the Economic Development Division (EDD).

The City of Cambridge economic development policy was summarized: Give support to businesses in the city in order to create jobs, increase tax revenue and continue to provide a high level of city services and standard of living for Cambridge residents. It was explained that in general, the more tax revenue collected from businesses means less of that revenue has to come from residents.

The City of Cambridge has a positive business climate. Currently, the City has a AAA municipal bond rating which is among the highest possible, and the tax rate is among the lowest in the state.

It was noted that the number of independent businesses in Neighborhood Ten is relatively high. A Committee member responded that the City should be aware of consultant type businesses that are run out of people's homes. It was also asked if there was information available regarding employees place of residence.

Economic Development Programs:

Staff from EDD briefly described some of the programs available to individuals and businesses in Cambridge that are administered through the Economic Development Division. It was noted that the EDD tends to focus efforts on smaller businesses and business development, although the programs are not need based.

Best Retail Practices – Interior design and marketing assistance to retailers, free bi-annual workshop, \$5,000 matching grants for improvements. This program is becoming more popular. In Neighborhood Ten, Sara's Market, located at Huron Avenue and Concord Avenue, has taken advantage of the program.

Façade Improvement Program – This program provides technical and financial assistance to Cambridge businesses to improve their storefronts. Includes matching grants up to \$35,000. Any business with frontage on a public street can qualify for the program. Due to its popularity most retailers are already aware of the program. A question was asked about who develops the designs for the new storefronts. It was

explained that there are guidelines required by the City based on urban design, architectural, and historical considerations. The cost of improvements is reimbursed based on the lowest bid received. In Neighborhood Ten, The Village Kitchen, in Huron Village, has been a program participant.

Free Educational Workshops – Workshops provided by EDD include

- Financial Literacy
- Starting a Business (from Kitchen to storefront)
- State Office of Women and Minority Owned Business Assistance (SOWMBA) certification (run by State)
- Business Strategy
- Tech Assistance
- One to One counseling

It was also noted that EDD is always looking for ways to work with business associations.

Retail Survey of Neighborhood Ten – Recently, and for the first time, a survey of retail establishments was conducted for Neighborhood Ten. The purpose of the survey was to ensure that EDD programs are meeting business needs, and to determine if new or different types of assistance are needed. The survey did not include consultants or home offices. The results of the Neighborhood Ten survey were consistent with City wide results, and found that businesses were most interested in:

- Marketing
- Attracting and keeping customers
- Mentoring programs

Workforce Development Assistance

- Health Care Advancement Program – assists qualified Cambridge residents to complete the coursework required for nursing or radiology degree.
- Just A Start Biomedical Career Program – Free two-year certificate program for qualified Cambridge residents to prepare for entry-level biotech jobs.

A committee member asked if it was possible to extend programs to Cambridge Rindge and Latin High School. It was noted in response that the High School had many of its own successful programs. Another committee member asked if EDD did any type of work with nonprofit organizations. An example was given of a group wishing to open an art gallery. Staff stated that EDD provides technical assistance to non-profits in the same way it is provided for private businesses.

EDD Publications

- Resource Guide
- Permit Guide
- Policy Guide
- Women and Minority Business Directory

Discussion

The committee was interested in addressing the issue of the currently vacant Huron Drug Store and what the vacancy means for the future of Huron Village. EDD staff noted that they have made numerous telephone calls in an effort to have another small drug store to occupy the site. However, the space actually has a very small floorplate for a drug store use. It was explained that most pharmacies want to fill 150 prescriptions a day which

could be difficult at such a small site. It was also noted that the City does not try and influence commercial rents but staff will try and help to find a match for the space.

A committee member mentioned that there seemed to be high turnover in Huron Village. Staff responded that the reasons for high turnover can be hard to determine, many times it has to do with not enough people buying the product offered. Someone stated that Huron Drug seems like it could be just the “tip of the iceberg” regarding changes to the retail environment in Huron Village, and wanted to know if it was a sign of larger problems ahead for the neighborhood? Staff explained that the owner of the store shut down rather suddenly. In their opinion the closing does not seem to be symptomatic of larger problems, however there is no guarantee that another drug store will locate there. A committee member agreed that residents don’t need to be fixated on drug store. Consideration should be given to foot traffic needed, and support by the immediate neighborhood. A committee member suggested making a recommendation that residents work with the City to enable Huron Village to have a distinctive identity.

Another vacant site that was mentioned was the site of the former Tokyo Restaurant on Fresh Pond Parkway. Staff noted that it is a good idea for neighborhood residents to let EDD know what would be desirable for the space preferably with some kind of consensus. Staff went on to say that businesses should approach EDD for assistance early enough for staff to develop some effective solutions. Often, businesses approach EDD for assistance after it is too late.

The Committee was interested in staff’s opinion of the economic development issues for Neighborhood Ten. It was noted from observations that Neighborhood Ten seemed to be doing well in terms of the business/ retail environment. There are also a relatively high number of small independent types of businesses in the neighborhood.

There was a question regarding how to determine the right retail mix for the community, or what types of businesses help a neighborhood thrive. Staff stated that it is hard to know for sure. A lot has to do with neighborhood support of the businesses. Someone pointed out that sometimes, family owned businesses just cease to exist after a few generations for various reasons. Another committee member noted that different types of stores are becoming popular, for example pet service stores in Neighborhood Ten.

Someone suggested that the committee make a recommendation for a survey about what type of business are desired or would be supported in the neighborhood. It was countered that such a survey would probably involve a lot of cost and effort therefore businesses themselves should do that type of work. A Committee member stated that it would be helpful to have information for retail types in other neighborhoods.

Someone asked what businesses look for when deciding to locate in a certain area. It was answered that businesses look at things such as: Population in a certain radius, demographics of the area, income levels (especially expandable income), whether customers will need a car and the parking situation, and other establishments in the area.

It was noted that commercial rents, especially for office uses, have dropped over the last few years.